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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 19, 2002

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. BFI-2002-00012

Ex Parte: In re: proposed
payday lending regulations

ORDER ADOPTING A REGULATION

By Order entered herein on July 18, 2002, the State Corporation Commission ("Commission") directed that notice be given of its proposal, acting pursuant to § 6.1-458 of the Code of Virginia, to promulgate a regulation setting forth the contents of the annual report required by § 6.1-454 of the Code of Virginia. Notice of the proposed regulation was published in the Virginia Register on August 12, 2002, and the proposed regulation was posted on the Commission's website. Interested parties were afforded the opportunity to request a hearing or to file written comments in favor of or against the proposal on or before September 3, 2002. The Commission received written comments and a request for a hearing, and pursuant to the Order entered herein on October 11, 2002, the Bureau of Financial Institutions ("Bureau") met with those who commented and

narrowed the issues to be addressed at the hearing held on December 3, 2002. During the hearing, the Bureau submitted a stipulation containing the proposed regulation with certain changes that were agreed to by the Bureau and the parties who filed comments. The participants in the hearing did not object to the stipulation.

The Commission, having considered the record, the proposed regulation, the written comments filed, the testimony of interested parties, and the stipulation concludes that the proposed regulation should be modified in accordance with the stipulation and that the modified regulation should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) Modified proposed 10 VAC 5-200-75 attached hereto is adopted effective January 1, 2003.

(2) The modified regulation shall be posted on the Commission's website at <http://www.state.va.us/scc/caseinfo/orders.htm>.

(3) An attested copy hereof, together with a copy of the modified regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

(4) This case is dismissed, and the papers herein shall be placed among the ended cases.

10 VAC 5-200-75. Annual reporting requirements.

When making the annual report required by § 6.1-454 of the Code of Virginia, in addition to other information required by the commissioner, licensees shall provide the following data:

1. The total number and dollar amount of payday loans made.
2. The total number of individual borrowers to whom loans were made.
3. The minimum, maximum, and average dollar amount of payday loans made.
4. The average annual percentage rate, and range of annual percentage rates, charged on payday loans made.
5. The average number of days, and the range of number of days, of the term of payday loans made.
6. The total number and dollar amount of borrower checks returned unpaid by the drawee depository institution.

7. The total number and dollar amount of returned checks ultimately paid.

8. The total number and dollar amount of returned checks charged off as uncollectible.

9. The total number and dollar amount of returned check fees collected from borrowers whose checks are returned for insufficient funds.

~~[10. The total number and amount of borrowers' checks written on joint accounts.~~

~~11. The number of borrower defaults on loans secured by checks written on joint accounts.]~~

~~[12 10]. The total number of individual borrowers against whom [legal action was taken lawsuits were instituted].~~

~~[13. The total number and percentage of customers unable to read English and identification of the language and, if applicable, the dialect in which each group of such customers is literate.]~~

[11. The number of individual borrowers who received more than one loan but less than 13 loans, and the number of individual borrowers who received 13 loans or more.]